



RESOLUTION

REQUESTING THAT THE DEPARTMENT OF PLANNING AND PERMITTING AMEND ITS AFFORDABLE HOUSING RULES FOR UNILATERAL AGREEMENTS.

WHEREAS, zone change ordinances to permit development of large residential housing projects generally are approved by the Council subject to conditions in Unilateral Agreements requiring the developer to provide affordable housing units; and

WHEREAS, the Department of Planning and Permitting's Affordable Housing Rules for Unilateral Agreements (Affordable Housing Rules) presently provide that no less than 30 percent of the total number of dwelling units in a project be affordable to households with incomes not exceeding 140 percent of the median income for Honolulu, with no less than 20 percent of the total number of dwelling units being affordable to households with incomes not exceeding 120 percent of median income, and with no less than 10 percent of the total number of dwelling units being affordable to households with incomes not exceeding 80 percent of the median income; and

WHEREAS, the Department of Planning and Permitting's Affordable Housing Rules provide that a developer may satisfy its affordable housing requirement through one or more of the following options, determined acceptable to DPP:

- a) Affordable for-sale units on the rezoned project site;
- b) Affordable rental housing units on the rezoned project site;
- c) Conveyance of improved fee simple real property to a qualified non-profit affordable housing provider;
- d) Affordable for-sale or rental units at a site other than the rezoned project site;
- e) An in-lieu fee as set by City Council resolution; and
- f) Finished house lots for affordable housing owner-builder through a self-help program; and

WHEREAS, the Affordable Housing Rules establish a ten-year term of restrictions ("restriction period") on the transfer of title or sale of affordable housing units, during which:

- (a) If a purchaser of an affordable unit wishes to transfer title, the BFS shall have the option to (1) either purchase the real property, or (2) require the purchaser to sell the real property to a qualified resident who is in the same income category as the original purchaser at the time of the original sale; or



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- (b) Rental units in an affordable housing project must be rented for a minimum restriction period of ten years, after which the City shall be given the first option to purchase the project at fair market value if it is offered for sale after the ten-year rental period; and

WHEREAS, after the restriction period expires, affordable for-sale units may be sold at fair market value, removing them from Honolulu's inventory of affordable fee-simple housing, and affordable rental units may be converted to market rental units, unless the rental project is purchased by the City; and

WHEREAS, maintaining an adequate inventory of affordable for-sale units is essential to provide residents with the opportunity for home-ownership; and

WHEREAS, maintaining an adequate supply of affordable rental units is essential because Honolulu's high cost of living, combined with stricter lending standards, places even affordable for-sale units out of reach for many residents, as evidenced by the prevalence of homelessness and crowded living situations in the City; and

WHEREAS, based on the foregoing, the Council feels that the restriction period specified in the Affordable Housing Rules must be extended to encourage the preservation of affordable for-sale and rental units for the residents of the City and County of Honolulu; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the Department of Planning and Permitting is requested to amend the appropriate provisions of the Affordable Housing Rules to provide that the restriction period for affordable for-sale units shall be no less than ____ years and the restriction period for rental units shall be no less than ____ years; and

BE IT FURTHER RESOLVED, that the Department of Planning and Permitting is requested to further amend the appropriate provisions of the Affordable Housing Rules to provide that no less than ____ percent of required affordable units shall be affordable rental units; and

BE IT FURTHER RESOLVED that the Director of Planning and Permitting is requested to report to the Council within 90 days of the date of adoption of this Resolution on the status of the requested amendments to the Affordable Housing Rules; and



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BE IT FINALLY RESOLVED that a copy of this Resolution be transmitted to the Mayor, the Managing Director, and the Director of Planning and Permitting.

INTRODUCED BY:

Ron Menor

DATE OF INTRODUCTION:

AUG 26 2013

Honolulu, Hawaii

Councilmembers

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